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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

TOM FORESE - Chairman
BOB BURNS
ANDY TOBIN
BOYD DUNN
JUSTIN OLSON

NOV 07 2017

DOCKETED BY

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In the matter of

Donna Kay Beers, CRD # 1172038, and
James Beers, wife and husband, and

Caesar Investments, LLC, an Arizona
Limited Liability Company,

Respondents.

DOCKET NO. S-20856A-17-0165

DECISION NO. 76441

**ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME
BY RESPONDENTS**

Respondents Donna Kay Beers and James Beers, and Caesar Investments, LLC (collectively, "Respondents") elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") and Articles 7 and 8 of the Arizona Investment Management Act, A.R.S. § 44-3101 *et seq.* ("Investment Management Act") with respect to this Order To Cease And Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same ("Order"). Respondents admit the jurisdiction of the Arizona Corporation Commission ("Commission"); admit the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

1. Donna Kay Beers ("Beers") (CRD # 1172038) was previously registered as a securities salesperson by the Commission from January 17, 2001, until July 30, 2013, when the Commission revoked her registration.

1 2. Beers was also previously licensed as an investment advisor representative by the
2 Commission from October 15, 2001, until December 31, 2008; and again from January 21, 2009, until
3 September 30, 2009.

4 3. Since June 1, 2006, Beers has also been a licensed insurance producer, Arizona
5 License No. 866264.

6 4. Since at least 1999 through the present, Beers has resided in Fountain Hills, Arizona.

7 5. At all relevant times Beers has been married to James Beers. James Beers is joined in
8 this action under A.R.S. § 44-2031(C) and A.R.S. § 44-3291(C) for purposes of determining the liability
9 of his and Beers' marital community, and as a controlling person of Caesar Investments, LLC within
10 the meaning of A.R.S. § 44-1999(B).

11 6. At all relevant times, Beers and James Beers were acting for their own benefit and for
12 the benefit or in furtherance of their marital community.

13 7. Caesar Investments, LLC ("Caesar Investments") is an Arizona limited liability
14 company that Beers organized on March 5, 2008. Beers and James Beers are the members and
15 managers of Caesar Investments. Beers and James Beers each own a fifty percent (50%) interest in
16 Caesar Investments.

17 8. The Commission's Securities Division ("Division") does not allege that James Beers
18 had any role in the transactions with investors described in this Order or that he had any direct
19 knowledge of the actions of Beers. Rather, the Division named James Beers in this action (i) to
20 determine his liability as an alleged controlling person of Caesar Investments within the meaning of
21 A.R.S. § 44-1999(B), and (ii) to determine the liability of his and Beers' marital community under
22 A.R.S. § 44-2031(C) and A.R.S. § 44-3291(C).

23 9. On July 30, 2013, in Decision No. 74017, the Commission entered an Order to Cease
24 and Desist, Order of Revocation, Order for Restitution, Order for Administrative Penalties and
25 Consent to Same ("2013 Order") executed by Beers and James Beers.

1 10. In the 2013 Order, the Commission found that Beers had violated the antifraud
2 provisions of the Securities Act and the IM Act, A.R.S. §§ 44-1991 and 44-3292, respectively. The
3 Commission also found that Beers had engaged in dishonest and unethical conduct within the
4 meaning of A.R.S. § 44-1962(A)(10) and R14-4-130(A)(4).

5 11. Among other remedies it ordered, the Commission revoked Beers' securities
6 salesperson registration and ordered her to permanently cease and desist from violating the Securities
7 Act and IM Act.

8 12. In addition to the Commission's 2013 Order against her, on May 20, 2011, the
9 Maricopa Superior Court entered a civil judgment against Beers in the principal amount of
10 \$53,091.32 and in favor of Meridian Bank, N.A., plus the bank's attorneys' fees and costs (the
11 "Meridian Bank Judgment"). Interest accrues on the Meridian Bank Judgment at the annual rate of
12 ten percent (10%).

13 13. As of June 30, 2017, Beers owed \$93,819.86 on the Meridian Bank Judgment.

14 **April 2014: Beers and Caesar Solicit a \$25,000 Investment.**

15 14. In early 2014, Beers was in contact with an investor in Pennsylvania whose initials
16 are "DR", and who had been a client of Beers before the Commission revoked Beers' securities
17 salesperson registration. DR told Beers he had money to invest, and she suggested he invest it in
18 Caesar Investments. Beers never clearly told DR what Caesar Investments would use his money for,
19 but she said he would receive ten-percent (10%) annual interest. Beers also told DR he could get his
20 money back at any time.

21 15. DR invested \$25,000.00 by two checks made payable to Caesar Investments.

22 16. The first check was dated April 1, 2014, payable in the amount of \$10,000.00. On
23 April 7, 2014, that check was deposited to Caesar Investments' JP Morgan Chase Bank account
24 ending in Xx4424.

25 17. DR's second check was dated April 30, 2014, payable in the amount of \$15,000.00.
26 On May 5, 2014, that check was deposited to Caesar Investments' account ending in Xx4424.

1 18. Beers and James Beers are the two authorized signers on Caesar Investments' JP
2 Morgan Chase Bank account ending in Xx4424.

3 19. Before DR's first check for \$10,000.00 was deposited on April 7, 2014, Caesar
4 Investments' account ending in Xx4424 had a balance of \$635.59. The deposit of DR's \$10,000.00
5 along with \$49.13 in additional funds increased the account balance to \$10,684.72. Between April
6 8th and April 11th, 2014, electronic payments totaling \$7,179.25 were made from that account to a
7 couple in Boynton Beach, Florida (\$1,200.00), American Express (\$3,554.26) and for the Beers'
8 mortgage (\$2,424.99). Of the \$7,179.25 in payments, at least \$6,494.53 consisted of DR's
9 investment funds.

10 20. Before DR's second check for \$15,000.00 was deposited on May 5, 2014, Caesar
11 Investments' account ending in Xx4424 had a balance of \$3,668.40, of which at least \$1,274.46
12 consisted of funds from DR's initial \$10,000.00. The May 5th deposit of DR's \$15,000.00 along with
13 \$45.00 in additional funds increased the account balance to \$16,234.56.

14 21. Between May 5th and May 12th, 2014, electronic payments totaling \$7,578.13 were
15 made from Caesar Investments' account ending in Xx4424 to the couple in Boynton Beach, Florida
16 (\$1,200.00), American Express (\$3,950.78) and for the Beers' mortgage (\$2,427.35). In addition,
17 Beers paid a woman in Pennsylvania \$8,000.00 by a check drawn on Caesar Investments' account.
18 Beers wrote in the \$8,000.00 check's memorandum line, "Loan pmt ☺." Of the \$7,578.13 in
19 electronic payments and the \$8,000.00 check, at least \$11,720.19 consisted of DR's investment
20 funds.

21 22. Thus, of the \$25,000.00 DR invested in April 2014, Beers and Caesar investments
22 used at least \$18,214.72 to pay Beers' and James Beers' personal debts and living expenses.

23 23. Before DR invested his \$25,000.00 in April 2014, Beers did not disclose to him that:
24 (i) the Commission had revoked her securities salesperson registration and ordered her to cease and
25 desist from violating the Securities Act and IM Act; (ii) Meridian Bank had an unpaid civil judgment
26 against her; and (iii) Beers and Caesar Investments would use his investment funds to pay her and

1 her husband's personal debts and living expenses. If DR had known any of these facts, he would not
2 have entrusted Beers with his \$25,000.00.

3 24. Despite DR's requests, Respondents have not accounted for or repaid any of DR's
4 \$25,000.00 investment.

5 **June 2015: Beers and Caesar Solicit and Misuse a \$26,000 Investment.**

6 25. On March 31, 2015, a Notice of Trustee's Sale was recorded in Maricopa County
7 stating that Beers' and James Beers' home in Fountain Hills was scheduled to be sold at a public
8 auction on July 6, 2015.

9 26. On May 11, 2015, Wells Fargo Home Mortgage ("Wells Fargo") sent Beers and James
10 Beers correspondence stating they were several months delinquent and owed \$23,547.61 for past due
11 mortgage payments, late fees and a foreclosure fee. Wells Fargo's correspondence stated: "This is
12 an active foreclosure case."

13 27. In early June 2015, Beers contacted an investor whose initials are "JS", and who had
14 been a client of Beers before the Commission revoked Beers' securities salesperson registration.
15 Beers told JS he had money in an IRA account that needed to be rolled over. Beers suggested JS and
16 his wife, "ES", invest that money in a company called Caesar Investments.

17 28. JS stressed to Beers that he did not want to "cash this money out" from his IRA
18 because then he would have to pay taxes and penalties on it. Beers misrepresented to JS that the
19 investment proceeds coming from his IRA would be a "roll-over asset" and he would not have to pay
20 taxes or penalties on those funds if he invested with Caesar Investments.

21 29. Beers did not disclose to JS that she and James Beers owned Caesar Investments.

22 30. Beers did not disclose to JS that she and James Beers were facing the potential loss of
23 their home because they owed Wells Fargo \$23,547.61 for past due payments, late fees and a
24 foreclosure fee.

25 31. JS agreed to invest in Caesar Investments. On June 12, 2015, JS's wife, ES, wrote a
26 \$26,000.00 check payable to Caesar Investments with the notation "IRA" on the check.

1 32. Before JS invested, Beers did not tell him what form his investment in Caesar
2 Investments would take. After he invested, however, JS received a Promissory Note Agreement
3 stating that on June 9, 2016, he would receive repayment of his \$26,000.00 plus eight percent (8%)
4 interest.

5 33. The signature line on the Promissory Note Agreement identified Beers as Caesar
6 Investments' manager.

7 34. On June 15, 2015, JS' and ES' \$26,000.00 check was deposited to Caesar
8 Investments' JP Morgan Chase Bank account ending in Xx4424. The \$26,000.00 deposit increased
9 the account balance to \$28,594.24.

10 35. Between June 15 and June 29, 2015, Beers and Caesar Investments used at least
11 \$24,698.51 of JS' and ES' \$26,000.00 investment funds to make cash withdrawals and to pay
12 personal debts and living expenses of Beers and James Beers.

13 36. Among the payments Beers and Caesar Investments made using JS' and ES'
14 investment funds was a \$23,547.61 payment to Wells Fargo for the past due mortgage payments and
15 fees Beers and James Beers owed in order to avoid the then-scheduled foreclosure of their home.

16 37. After Beers and Caesar Investments made the \$23,547.61 payment for past due
17 mortgage payments and fees, Wells Fargo cancelled the Trustee's Sale of the Beers' home.

18 38. Contrary to Beers' misrepresentation to JS before he and ES invested, JS was assessed
19 taxes and a penalty for taking the \$26,000.00 distribution to invest in Caesar Investments.

20 **August-September 2015: Beers Solicits and Misuses a \$3,700 Investment.**

21 39. On August 18, 2015, an investor whose initials are "MK", and who had been a client
22 of Beers before the Commission revoked Beers' securities salesperson registration, emailed Beers.
23 MK wrote that he had money in his 401K account that he needed to roll into another retirement
24 account.

25 40. Beers replied, "We can ... roll it into your [IRA] account with Equity Institutional."
26

1 41. On September 1, 2015, MK emailed Beers that his 401K account “is closed out and
2 the check will be coming your way shortly.”

3 42. Beers replied to MK, “You can make it out to me and I will see that it gets taken care
4 of.”

5 43. Beers also instructed MK to send his check to her home address rather than to her
6 office.

7 44. On September 13, 2015, MK wrote a \$3,700.00 check payable to “Donna Beers” with
8 the notation “401K Rollover” on it.

9 45. On September 17, 2015, Beers deposited MK’s \$3,700.00 check to Caesar
10 Investments’ JP Morgan Chase Bank account ending in Xx4424.

11 46. Between September 17 and September 24, 2015, Beers and Caesar Investments used
12 at least \$3,352.88 of MK’s \$3,700.00 investment funds to dine in restaurants, go to a salon, and pay
13 Beers’ and James Beers’ American Express bill.

14 47. Despite MK’s requests, Respondents have not accounted for MK’s \$3,700.00
15 investment.

16 **October 2015: Beers and Caesar Solicit and Misuse a \$39,000 Investment.**

17 48. In October 2015, Beers solicited DR to invest another \$39,000.00 in Caesar
18 Investments.

19 49. As with his previous investment from April 2014, Beers did not tell DR what Caesar
20 Investments would use his money for, but she said he would be paid 9% to 10% interest. She also
21 said DR could get his money back at any time.

22 50. Beers further told DR there was no risk because she personally guaranteed his money.

23 51. On October 5, 2015, DR wrote a \$39,000.00 check payable to Caesar Investments.

24 52. On October 6, 2015, Beers deposited DR’s \$39,000.00 check to Caesar Investments’
25 JP Morgan Chase Bank account ending in Xx4424.

26

1 53. Before Beers deposited DR's \$39,000.00, Caesar Investments' account had a balance
2 of \$323.84.

3 54. Between October 7 and October 20, 2015, Beers and Caesar Investments used at least
4 \$19,227.19 of DR's \$39,000.00 investment funds to make cash withdrawals, to transfer funds to a
5 relative of Beers, and to pay personal debts and living expenses of Beers and James Beers.

6 55. Among the payments Beers and Caesar Investments made using DR's investment
7 funds was a \$5,000.00 check to James Beers; a \$3,000.00 wire transfer to another relative of Beers;
8 a \$2,484.60 mortgage payment; and a \$2,354.64 payment to American Express.

9 56. Beers never informed DR, JS or MK that the Commission had revoked her securities
10 salesperson registration and ordered her to cease and desist from violating the Securities Act and IM
11 Act.

12 57. Beers never informed DR, JS or MK that when they invested through her, Meridian
13 Bank had an unpaid civil judgment against her.

14 58. Beers never informed DR, JS or MK that when they invested through her, she and
15 Caesar Investments would use these investors' funds to pay her and her husband's personal debts and
16 living expenses.

17 59. DR, JS and MK never would have invested with Respondents in 2014 and 2015 if
18 they knew: (i) of the Commission's 2013 Order revoking Beers' securities salesperson registration
19 and ordering her to cease and desist from violating the Securities Act and IM Act; (ii) Meridian Bank
20 had an unpaid civil judgment against Beers; or (iii) Beers and Caesar Investments would use the
21 investment funds to pay Beers' and James Beers' personal debts and living expenses.

22 60. Respondents have not repaid any of the \$64,000.00 DR entrusted to them to invest on
23 his behalf; any of the \$26,000.00 JS entrusted to them to invest on his behalf; or any of the \$3,700.00
24 MK entrusted to them to invest on his behalf.

Beers' Sale of Additional Promissory Notes Between November 2011 and July 2017

61. In addition to the investments set forth above, Beers and/or Caesar Investments sold the following promissory notes within or from Arizona:

a) On November 21, 2011, Beers and Caesar Investments sold a promissory note with themselves defined as the "Borrower" to two Pennsylvania residents, GF and RF, for \$100,000.00;

b) On July 12, 2012, Beers and Caesar Investments sold a promissory note with themselves defined as the "Guarantors" to two Florida residents, JB and WB, for \$50,000.00;

c) On December 9, 2013, Beers sold a promissory note with herself defined as the "Maker" to a Florida resident, PS, for \$39,000.00;

d) On June 11, 2014, Beers and Caesar Investments sold a promissory note to a Pennsylvania resident, JM, for \$52,478.94; and

e) On November 13, 2014, Beers and Caesar Investments sold a promissory note to two Arizona residents, KC and JK, for \$30,000.00.

62. The Commission's Securities Division filed this enforcement action on June 1, 2017. The next day, June 2, 2017, Beers was served with this action.

63. Notwithstanding the pending enforcement action against her, on July 1, 2017, Beers sold another promissory note with herself defined as the "Maker" to PS for \$50,000.00.

64. Respondents have repaid JM \$2,800.00 of his \$52,478.94 promissory note.

65. Respondents have repaid KC and JK all of their \$30,000.00 promissory note.

II.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution, the Securities Act and the Investment Management Act.

2. From November 21, 2011, through July 1, 2017, Respondents Beers and Caesar Investments offered or sold securities in the form of notes, investment contracts and/or evidences of

1 indebtedness, within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21),
2 and 44-1801(26).

3 3. Respondents Beers and Caesar Investments violated A.R.S. § 44-1841 by offering or
4 selling securities that were neither registered nor exempt from registration.

5 4. Respondents Beers and Caesar Investments violated A.R.S. § 44-1842 by offering or
6 selling securities while neither registered as a dealer or salesman nor exempt from registration.

7 5. Respondents Beers and Caesar Investments violated A.R.S. § 44-1991 by (a)
8 employing devices, schemes, or artifices to defraud, (b) making untrue statements or misleading
9 omissions of material facts, and (c) engaging in transactions, practices, or courses of business that
10 operate or would operate as a fraud or deceit. Specifically, Beers and Caesar Investments:

11 a) Failed to disclose to DR, JS and MK in 2014 and 2015 when they invested that
12 in its 2013 Order the Commission revoked Beers' securities salesperson registration and ordered her
13 to cease and desist from violating the Securities Act and IM Act;

14 b) With respect to DR's investments of April 2014 and October 2015, Beers and
15 Caesar Investments misrepresented that DR could get his money back at any time;

16 c) With respect to DR's investment of April 2014, Beers and Caesar Investments
17 failed to disclose that they would use at least \$18,214.72 of his investment funds to pay Beers' and
18 James Beers' personal debts and living expenses;

19 d) Beers and Caesar Investments misrepresented to JS in June 2015 that he
20 needed to roll over money from his IRA account into another investment;

21 e) Beers and Caesar Investments misrepresented to JS that the investment
22 proceeds coming from his IRA would be a "roll-over asset" and he would not have to pay taxes or
23 penalties on those funds if he invested with Caesar Investments;

24 f) Beers and Caesar Investments failed to disclose to JS that Beers and James
25 Beers owned Caesar Investments;

26

1 g) Beers and Caesar Investments failed to disclose to JS that Beers and James
2 Beers were facing the potential loss of their home and that Beers would use at least \$24,698.51 of
3 JS' \$26,000.00 investment funds to pay her and her husband's personal debts and living expenses,
4 including their \$23,547.61 debt to Wells Fargo to avoid the then-scheduled foreclosure of their home;

5 h) Beers and Caesar Investments failed to disclose to MK that they would use at
6 least \$3,352.88 of his \$3,700.00 investment funds to dine in restaurants, go to a salon, and pay Beers'
7 and James Beers' American Express bill;

8 i) With respect to DR's investment of October 2015, Beers and Caesar
9 Investments misrepresented that there was no risk because Beers personally guaranteed his money;
10 and

11 j) With respect to DR's investment of October 2015, Beers and Caesar
12 Investments failed to disclose that Respondents would use at least \$19,227.19 of his \$39,000.00
13 investment funds to make cash withdrawals; to write a \$5,000.00 check to James Beers; to make a
14 \$3,000.00 wire transfer to another relative of Beers; and to make a \$2,484.60 mortgage payment and
15 a \$2,354.64 payment to American Express.

16 6. From April 1, 2014, through October 6, 2015, Beers and James Beers directly or
17 indirectly controlled Caesar Investments within the meaning of A.R.S. § 44-1999. Therefore, Beers
18 and James Beers are jointly and severally liable to the same extent as Caesar Investments for its
19 violations of A.R.S. § 44-1991 during that time period.

20 7. From April 1, 2014, through October 6, 2015, Beers and Caesar Investments violated
21 A.R.S. § 44-3151 by transacting business in this state as an investment adviser and investment adviser
22 representative, respectively, while neither licensed nor exempt.

23 8. Beers and Caesar Investments violated A.R.S. § 44-3241 by (a) employing devices,
24 schemes, or artifices to defraud, (b) making untrue statements or misleading omissions of material
25 facts, (c) misrepresenting professional qualifications with the intent that the misrepresentation be
26 relied on, and (d) engaging in transactions, practices, or courses of business that operate or would

1 operate as a fraud or deceit. Specifically, Beers and Caesar Investments:

- 2 a. Failed to disclose to DR, JS and MK in 2014 and 2015 when they invested that in
3 its 2013 Order the Commission revoked Beers' securities salesperson registration
4 and ordered her to cease and desist from violating the Securities Act and IM Act;
- 5 b. Failed to disclose to DR, JS or MK that Meridian Bank had an unpaid civil
6 judgment against Beers;
- 7 c. With respect to DR's investments of April 2014 and October 2015, Beers and
8 Caesar Investments misrepresented that DR could get his money back at any time;
- 9 d. With respect to DR's investment of April 2014, Beers and Caesar Investments
10 failed to disclose that they would use at least \$18,214.72 of his investment funds
11 to pay Beers' and James Beers' personal debts and living expenses;
- 12 e. Beers and Caesar Investments misrepresented to JS in June 2015 that he needed
13 to roll over money from his IRA account into another investment;
- 14 f. Beers and Caesar Investments misrepresented to JS that the investment proceeds
15 coming from his IRA would be a "roll-over asset" and he would not have to pay
16 taxes or penalties on those funds if he invested with Caesar Investments;
- 17 g. Beers and Caesar Investments failed to disclose to JS that Beers and James Beers
18 owned Caesar Investments;
- 19 h. Beers and Caesar Investments failed to disclose to JS that Beers and James Beers
20 were facing the potential loss of their home and that Beers would use at least
21 \$24,698.51 of JS' \$26,000.00 investment funds to pay her and her husband's
22 personal debts and living expenses, including their \$23,547.61 debt to Wells Fargo
23 to avoid the then-scheduled foreclosure of their home;
- 24 i. Beers and Caesar Investments failed to disclose to MK that they would use at least
25 \$3,352.88 of his \$3,700.00 investment funds to dine in restaurants, go to a salon,
26 and pay Beers' and James Beers' American Express bill; and

j. With respect to DR's investment of October 2015, Beers and Caesar Investments misrepresented that there was no risk because Beers personally guaranteed his money; and

k. With respect to DR's investment of October 2015, Beers and Caesar Investments failed to disclose that Respondents would use at least \$19,227.19 of his \$39,000.00 investment funds to make cash withdrawals; to write a \$5,000.00 check to James Beers; to make a \$3,000.00 wire transfer to another relative of Beers; and to make a \$2,484.60 mortgage payment and a \$2,354.64 payment to American Express.

9. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032, and Beers' and Caesar Investments' conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-3292.

10. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032 and A.R.S. § 44-3292.

11. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-2036 and A.R.S. § 44-3296.

12. Beers and James Beers acted for the benefit of their marital community and, pursuant to A.R.S. §§ 25-214 and 25-215, this order of restitution and administrative penalties is a debt of the community.

III.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents' consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

1 IT IS ORDERED, pursuant to A.R.S. § 44-2032 and A.R.S. § 44-3292, that Respondents, and
2 any of Respondents' agents, employees, successors and assigns, permanently cease and desist from
3 violating the Securities Act and Investment Management Act.

4 IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry
5 of Order.

6 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032 and A.R.S. § 44-3292, that
7 Respondents Beers and Caesar Investments, individually, and the marital community of Respondents
8 Beers and James Beers, jointly and severally shall pay restitution to the Commission in the principal
9 amount of \$357,378.94 as a result of the conduct set forth in the Findings of Fact and Conclusions
10 of Law. In addition, as a control person of Caesar Investments, James Beers shall be individually
11 liable to pay, jointly and severally with Beers and Caesar Investments, \$93,700.00 of the \$357,378.94
12 principal restitution amount. Payment is due in full on the date of this Order. Payment shall be made
13 to the "State of Arizona" to be placed in an interest-bearing account controlled by the Commission.

14 IT IS FURTHER ORDERED that the restitution ordered in the preceding paragraph will
15 accrue interest, as of the date of the Order, at the rate of the lesser of (i) ten percent per annum or (ii)
16 at a rate per annum that is equal to one per cent plus the prime rate as published by the board of
17 governors of the federal reserve system in statistical release H. 15 or any publication that may
18 supersede it on the date that the judgment is entered.

19 The Commission shall disburse the funds on a pro-rata basis to investors shown on the records
20 of the Commission. Any restitution funds that the Commission cannot disburse because an investor
21 refuses to accept such payment, or any restitution funds that cannot be disbursed to an investor
22 because the investor is deceased and the Commission cannot reasonably identify and locate the
23 deceased investor's spouse or natural children surviving at the time of the distribution, shall be
24 disbursed on a pro-rata basis to the remaining investors shown on the records of the Commission.
25 Any funds that the Commission determines it is unable to or cannot feasibly disburse shall be
26 transferred to the general fund of the state of Arizona.

1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036 and A.R.S. § 44-3296, that
2 Respondents Beers and Caesar Investments, individually, and the marital community of Respondents
3 Beers and James Beers, jointly and severally shall pay an administrative penalty in the amount of
4 \$115,000.00 as a result of the conduct set forth in the Findings of Fact and Conclusions of Law. In
5 addition, as a control person of Caesar Investments, James Beers shall be individually liable to pay,
6 jointly and severally with Beers and Caesar Investments, \$60,000.00 of the \$115,000.00 penalty
7 amount. Payment is due in full on the date of this Order. Payment shall be made to the "State of
8 Arizona." Any amount outstanding shall accrue interest as allowed by law.

9 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
10 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
11 shall be applied to the penalty obligation.

12 For purposes of this Order, a bankruptcy filing by any Respondent shall be an act of default.
13 If Respondents do not comply with this Order, any outstanding balance may be deemed in default
14 and shall be immediately due and payable.

15 IT IS FURTHER ORDERED, that if Respondents fail to comply with this order, the
16 Commission may bring further legal proceedings against Respondents, including application to the
17 superior court for an order of contempt.

18 IT IS FURTHER ORDERED that this Order shall become effective immediately.

19 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

20 

CHAIRMAN FORESE

21 

COMMISSIONER DUNN

22 

COMMISSIONER TOBIN

23 

COMMISSIONER OLSON

24 

COMMISSIONER BURNS

IN WITNESS WHEREOF, I, TED VOGT, Executive Director
of the Arizona Corporation Commission, have hereunto set my
hand and caused the official seal of the Commission to be
affixed at the Capitol, in the City of Phoenix, this 7th day
of November, 2017.



A handwritten signature in blue ink, appearing to be 'TED VOGT', is written over a horizontal line.

TED VOGT
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Kacie Cannon, ADA Coordinator,
voice phone number (602) 542-3931, e-mail kcannon@azcc.gov.

(JDB)

CONSENT TO ENTRY OF ORDER

1
2 1. Respondents Donna Kay Beers and James Beers, and Caesar Investments, LLC
3 (collectively, "Respondents") admit the jurisdiction of the Commission over the subject matter of
4 this proceeding. Respondents acknowledge that Respondents have been fully advised of
5 Respondents' right to a hearing to present evidence and call witnesses and Respondents knowingly
6 and voluntarily waive any and all rights to a hearing before the Commission and all other rights
7 otherwise available under Article 11 of the Securities Act, Article 7 of the Investment Management
8 Act and Title 14 of the Arizona Administrative Code. Respondents acknowledge that this Order To
9 Cease And Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same
10 ("Order") constitutes a valid final order of the Commission.

11 2. Respondents knowingly and voluntarily waive any right under Article 12 of the
12 Securities Act and Article 8 of the Investment Management Act to judicial review by any court by
13 way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

14 3. Respondents acknowledge and agree that this Order is entered into freely and
15 voluntarily and that no promise was made or coercion used to induce such entry.

16 4. Respondents Donna Kay Beers and Caesar Investments, LLC acknowledge they have
17 been represented by attorney Jay Volquardsen of Gallagher & Kennedy, P.A. in this matter;
18 Respondents Donna Kay Beers and Caesar Investments, LLC have reviewed this order with Mr.
19 Volquardsen, and understand all terms it contains. Respondents Donna Kay Beers and Caesar
20 Investments, LLC acknowledge that their attorney, Mr. Volquardsen, has apprised them of their
21 rights regarding any potential or actual conflicts of interest arising from their dual representation.
22 Respondents Donna Kay Beers and Caesar Investments, LLC acknowledge that they have each given
23 their informed consent to such representation.

24 5. Respondent James Beers acknowledges that he has been represented by attorney
25 Flynn Carey of Mitchell, Stein, Carey, P.C. in this matter; Respondent James Beers has reviewed this
26 Order with Mr. Carey and understands all terms it contains.

1 6. Respondents admit the Findings of Fact and Conclusions of Law contained in this
2 Order. Respondents agrees that Respondents shall not contest the validity of the Findings of Fact
3 and Conclusions of Law contained in this Order in any present or future proceeding in which the
4 Commission is a party.

5 7. Respondents further agree that they shall not deny or contest the Findings of Fact and
6 Conclusions of Law contained in this Order in any present or future: (a) bankruptcy proceeding, or
7 (b) non-criminal proceeding in which the Commission is a party (collectively, "proceeding(s)").
8 They further agree that in any such proceedings, the Findings of Fact and Conclusions of Law
9 contained in this Order may be taken as true and correct and that this Order shall collaterally estop
10 them from re-litigating with the Commission or any other state agency, in any forum, the accuracy
11 of the Findings of Fact and Conclusions of Law contained in this Order. In the event Respondents
12 Donna Kay Beers, James Beers or Caesar Investments, LLC pursues bankruptcy protection in the
13 future, they each further agree that in such bankruptcy proceeding, pursuant to 11 U.S.C. §
14 523(a)(19), the following circumstances exist:

15 A. The obligations incurred as a result of this Order are a result of the conduct set forth
16 in the Findings of Fact and Conclusions of Law in the Order and are for the violation of Arizona
17 state securities laws, pursuant to 11 U.S.C. § 523(a)(19)(A)(i);

18 B. This Order constitutes a judgment, order, consent order, or decree entered in a state
19 proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into by
20 Respondents Donna Kay Beers, James Beers and Caesar Investments, LLC pursuant to 11 U.S.C. §
21 523(a)(19)(B)(ii), and a court order for damages, fine, penalty, citation, restitution payment,
22 disgorgement payment, attorney fee, cost or other payment owed by Respondents Donna Kay Beers,
23 James Beers or Caesar Investments, LLC pursuant to 11 U.S.C. § 523(a)(19)(B)(iii).

24 8. By consenting to the entry of this Order, Respondents agree not to take any action or
25 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of
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1 Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual
2 basis.

3 9. While this Order settles this administrative matter between Respondents and the
4 Commission, Respondents understand that this Order does not preclude the Commission from
5 instituting other administrative or civil proceedings based on violations that are not addressed by this
6 Order.

7 10. Respondents understand that this Order does not preclude the Commission from
8 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
9 that may be related to the matters addressed by this Order.

10 11. Respondents understand that this Order does not preclude any other agency or officer
11 of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal
12 proceedings that may be related to matters addressed by this Order.

13 12. Respondents agree that Respondents will not apply to the state of Arizona for
14 registration as a securities dealer or salesman or for licensure as an investment adviser or investment
15 adviser representative at any time in the future.

16 13. Respondents agree that Respondents will not exercise any control over any entity that
17 offers or sells securities or provides investment advisory services within or from Arizona at any time
18 in the future.

19 14. Respondents Donna Kay Beers and James Beers acknowledge that the restitution and
20 penalties imposed by this Order are their individual obligations as well as of their marital community.

21 15. Respondents consent to the entry of this Order and agree to be fully bound by its terms
22 and conditions.

23 16. Respondents acknowledge and understand that if a Respondent fails to comply with
24 the provisions of the order and this consent, the Commission may bring further legal proceedings
25 against Respondents, including application to the superior court for an order of contempt.
26

17. Respondents understand that default shall render Respondents liable to the Commission for its costs of collection, including reasonable attorneys' fees and interest at the maximum legal rate.

18. Respondents agree and understand that if Respondents fail to make any payment as required in the Order, any outstanding balance shall be in default and shall be immediately due and payable without notice or demand. Respondents agree and understand that acceptance of any partial or late payment by the Commission is not a waiver of default by the Commission.

19. Respondent Donna Kay Beers represents that she is a member of Caesar Investments, LLC and has been authorized by Caesar Investments, LLC to enter into this Order for and on behalf of it.

Donna Kay Beers
Donna Kay Beers

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 29 day of September, 2017.

Andrea Lynn Parker
NOTARY PUBLIC

My commission expires:

7/28/2021



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James Beers

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this _____ day of _____, 2017.

NOTARY PUBLIC

My commission expires:

Caesar Investments, LLC

By: Donna Kay Beers
Donna Kay Beers, Its Member

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 29th day of September, 2017.

Andrea Lynn Parker

NOTARY PUBLIC

My commission expires:

7/28/2021



James Beers
James Beers

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 28th day of September, 2017.



Stephanie Bame
NOTARY PUBLIC

My commission expires:

3/19/18

Caesar Investments, LLC

By: _____

Donna Kay Beers, Its Member

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this _____ day of _____, 2017.

NOTARY PUBLIC

My commission expires:

SERVICE LIST FOR: *In the Matter of Donna Kay Beers et al.*

Jay S. Volquardsen, Esq.
Gallagher & Kennedy, P.A.
2575 E. Camelback Road Suite 1100
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Caesar Investments, LLC

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Attorneys for Respondent James Beers